Impact of Job Satisfaction on Employee Retention in Higher Education institution (HEI): A Study of Dehradun region

A

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DECLARATION

This is to certify that the synopsis entitled "**Impact of job satisfaction on employee retention in higher education institution (HEI): A Study of Dehradun region**." is submitted by me to **Desh Bhagat University: Mandi Gobindgarh** for the award of the degree of **Doctor of Philosophy** is a bonafide record of research work carried out by me under the supervision of **Dr. Sukhdeep Kaur**.

The Contents of this synopsis, in full or in parts, have not been submitted to any other Institute or University for the award of any degree or diploma.

Mandi Gobindgarh

Date:

Signature of the Research Scholar

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Topic–

"Impact of job satisfaction on employee retention in higher education institution (HEI): A Study of Dehradun region.

Abstract

Higher Education Institutions in India are facing a constant challenge in retaining the skilled and talented academicians particularly in private institutions which in turn increase the cost of operations, while effecting the academic curriculum negatively. This leads in loosing the competitive edge of these institutions. Any organization's leaders determine the direction that the organization takes, which sets the foundation for its culture, positively or negatively with management practices. Employees who are motivated by their positive work culture tend to stay with their companies, while those with a negative work culture lose their talents. In an organization, culture consists of attitudes, norms, values, and beliefs that provide the foundation for open and positive communication within the workplace. The organizational culture determines whether an organization adopts positive or negative behaviour. Employees and employers are linked by this. Performance and retention of employees differ significantly when organizational culture is taken into consideration. Hence, it serves as an important link between the employer and the employee, playing an important role in the organization's success. The commitment of employees is positively correlated to organizational results & employee satisfaction which is associated with the achievement of organizational goals. By encouraging employees to stay with the company for as long as possible, organizations can promote employee retention. As a result, companies suffer when competantacademicians leave them, since these employees are an important factor in determining a company's success or failure.

INTRODUCTION

Role of academic staff for vital for the success of higher education institutes giving them the competitive edge and branding, hence retaining such employees becomes key to the success of such institutions. In this competitive environment, Higher Education Institutions are facing challenges in hiring and retaining the effective academicians. High attrition rate not only affect the overall productivity of the employee but also has serious consequences and impact on the performance of the organization and its goal. Further hiring being an important cost factor for any organization, high attrition also leads to high cost of operations. Competent academic faculty in Higher Education Institutes are in high demand. It is important to understand how different leadership styles, organization culture and organization commitment affects the employee's morale and satisfaction towards the job and their correlation with employee retention thus, leading to less attrition and in turn resulting in achievement of organizational goals, objectives along with reduced hiring cost.

Keeping satisfied employees is the key to success for an organization. High employee retention helps colleges and universities maintain adequate faculty numbers since it leads to increased job satisfaction. Faculty job satisfaction and its relationship to retention in higher education are business-related issues, as a 5% increase in retention can lead to a 10% reduction in costs (Wong & Heng, 2009). A similar increase in retention can further result in substantial productivity increases, to as much as 65% (Wong & Heng, 2009).

Employee retention

Employee retention can be defined as motivation to stay in the organization. It is an organization's ability to retain employees. Often, employee turnover is the result of underlying issues that have not been resolved, such as low morale, lack of career development, poor employee-manager relationships, or a host of other issues. Research has shown that the direct replacement of an employee can cost as much as 50-60% of the employee's annual salary, but the total cost of turnover can exceed 90-200%. There are numerous costs involved, including candidate views, training of new hires, recruiter salaries, separation processing, job errors, lost sales, reduced morale, and many others. When organizations focus on the basics, they can pave the way for building a high-retention company. The first step for organizations is to define their culture and identify the type of employees that will thrive in that environment. Time, resources, and capital are all necessary to attract and recruit top talent. Any organization, therefore, must have a close relationship between its employer and its employees. Creating a positive, effective employer-employee relationship becomes crucial for designing the organizational strategies. Organizations can promote employee retention by taking measures to encourage employees to stay with the company for as long as possible. In their opinion, highly skilled employees make the difference between an organization's success and failure and as such, companies often suffer in the event that such employees quit. Similarly, employee retention refers to the process of retaining employees and keeping them attached to an organization for the longest period of time possible, or until the completion of a particular project is completed.

Job Satisfaction

The role of Job satisfaction plays a vital role in linking to job commitment, performance and retention for any employee. The term “Job satisfaction” reflects a person's attitude towards works and their organizations and can be defined as the emotional reactions of the staff to their working environment based on the differences between the actual results and their expectations. When examining the engagement of employees in an organization, it is the relative strength of each individual when they join a particular organization. In term of this, Allen and Meyer (1990) identified, the engagement of employees presents the relationship between the employees and organizations and decision to continue working in the organization. Similarly, Meyer and Becker (2004) identified a

staff engaged with an organization is “Work at an organization, work regularly, all day and more, protect the company’s properties and trust the goals of the organization”.

HEI’s in India

Indian higher education system has grown rapidly by adding nearly 20,000 colleges and more than 8 million students in last 20 years. As per the MHRD there are over 1000 universities across the country in the year 2020 with a split of around 54 Central Universities,125 deemed universities,361 private universities,416 state universities and 159 institutes of national importance. In addition to this there are 52627 other institutions which includes government colleges, private institutions and standalone institutes, PG & research institutions.

Literature Review

Leadership and EmployeeRetention

Ngambi, (2011) has investigated 604 CEMS staff members of UNISA’s college of Economic and Management Sciences (CEMS) through self-administrated web-based survey, for their morale, commitment, satisfaction and perceptions and their correlation with Leadership & its competencies like communication, trust and team building thus strategically developing and addressing initiatives towards increasing morale and retention of the staff of CEMS and providing a prosperous positive, steady, secure, invigorating and productive work environment climate. The study concluded that employee morale directly affects the productivity and performance. Leadership and employee morale are directly influenced by both internal as well as external factors. The study being limited to only CEMS and it’s concern areas were surveyed, has limitations when it was unable to detail out the other factors like organization culture, climate and HRM strategies towards job satisfaction and motivation with their correlation with morale and commitments of the staff.

Heyliger, W. (2014) in his quantitative study, examined the relationship and association of perceived transformational, transactional and passive / avoidant academic leadership styles and its impact on job satisfaction on 104 fulltime faculties in Florida State University . He used Multifactor Leadership Questionnaire (MLQ) (**Bass, Avolio, Jung &Berson, 2012**) and job satisfaction survey (**Spector, 2011**). While the transactional type leadership focuses on task-orientation at the same time transformational leadership is relationship oriented. The study results shows that transformational leadership was most empathic followed by transactional leadership having enhance job satisfaction in comparison to passive / avoidant leadership style. It is imperative to the higher education institutions to identify & spot such leaders and provide guidance & support to the other team members by cultivating skillset through training and professional development generating future

academic leaders.The study was done only on a single government-operated state university and could have been expanded to other universities including government, & for-profit private universities / colleges also leading to more in-depth impact of inter-relation of academic leadership and faculty job satisfaction. The study also failed to consider the other demographic variable like gender, tenure and ethnicity evaluating its association on various leadership styles.

Ng'ethe et al. (2012) studied the importance and role of different leadership traits and its consequences on the longevity of academic staff in the various public universities in Kenya. The study was conducted on 547 academic faculty members of seven public universities of Kenya. Analysis was done using descriptive and inferential statistical methodology via questionnaire. The results clearly stated the negative correlation of the leadership traits as an important parameter of attrition of the staff in these universities considering the highly competitive environment. It highlighted the criticality of retaining high skilled and performing employee retention as an asset towards gaining competitive advantage, increased productivity and delivery, reduced and cost effectiveness into various universities in Kenya. The study was however was silent on the other important parameters of HRM strategies likes appropriate salaries /wages, other motivational factors, incentives, rewards and recognition, demographic factors which are equally important to be considered in having overall impact on the lowering of the attrition of academic staff. The Study also didn't took into consideration & consequences of organizational climate and culture on the retention of academic staff as an critical independent factor into fallout of employee attrition and how leadership plays important role in building up any organization climate and culture within the organization.

Suong et al. (2019) in their research tested the relationship and influence of different types of leadership styles including transformational, transactional and laissez faire on employee job satisfaction leading to organizational commitment of employees towards higher work efficiency & revenues of the organizations, among 309 cadres, lecturers and staff engaged with 15 various universities in Vietnam. The study was based on Structural Equation Modelling (SEM) and results of AMOS (Analysis of Moment Structures) using both qualitative and quantitative methodology, exploratory Factor Analysis (EFA), Confirmatory Factor Analysis (CFA) for validating the interdependencies on these variables. The study reveals not only the significance of different styles of leadership and its effect on job satisfaction and organizational commitment but also lays down the importance of other parameters such as personal, friendly, sociable and cooperative relationship, positive environment and organization culture, bonus and employee benefits, allowances towards encouraging learning and development. This study however talks about only on the qualitative significance of parameters such are the importance of these personal, friendly, sociable and cooperative relationship, positive environment and organization culture, bonus and

employee benefits, allowances, etc but could not detail out the quantitative exploratory research on the them.

Organization Culture and EmployeeRetention

(Jarinto et al., 2019) in their study investigated the impact and role of emphasizing on Job design, job enlargement, job rotation and job enrichment on employee retention along with the mediating role of employee commitment, which has significant effect in providing competitive advantage to the universities in Thailand due to the shortage of skilled academic faculties in the country. The Author used SEM -PLS to analyse sample size of 420 questionnaire received. The results clearly confirmed that to enhance the employee commitment and increase their productivity and effectiveness, co-relationship between employee and employer plays a significance role. Strategies should be formed by the employer by working around re-designing and re-valuating their Job design, enriching their job by enlargement and rotation to have increased impact on their job satisfaction and employee retention. The Authors was however had not explored the inter-dependability of other parameters of extreme importance like organizational leadership which drives organization culture thus plays an important role in driving organization commitment further.

Brenyah, and Tetteh, (2016). In their research has explored the impact of different type of culture i.e. Organisational Culture, Support Culture, Power Culture, Role Culture, Achievement Culture and its influence on staff retention in 6 private universities in Ghana. The study was done on 263 academic and administrative employees having longevity of at least 2 years in the university by using purposive multi stage sampling technique. The researchers used OCAT tool developed by Harrison and Stoke's (1992) and Employee Retention Instrument (ERI) developed by Lindsey and Liyanearachchi (2004). It was evident from the findings that Organizational Culture having Corporate culture, Supports Culture and Achievement Cultures have significant positive correlation leading to enhanced employee retention, while presence of power culture into the organization creates negative and low employee retention.The study was however limited to only six private universities and could have been extended to state owned universities in Ghana and also applied in other geographies in the world. This study also limits itself to measure the effect of organization culture on employee retention while have overlooked other important parameters of leadership, organization climate, Demographics, Job Designs & other motivational factors, etc. which can be researched more.

Khan. et al. (2017) in their effort to evaluate the most effective organizational culture having a positive and constructive impact on reducing employee conflict among academic staff of higher education institutions in Pakistan, studied the influence of hierarchy, market, clan and adhocracy cultures over employee conflict. For this study they collected a random sample size of 240 (academic staff) spread across 9 government and 7 private universities in Pakistan. The study used Structural

Equation Modelling (SEM) on the organizational culture scale adapted by Cameron & Quinn (2005) and Employee Conflict Scale adapted by Jehn and Mannix (2001) . The results from the study indicated a negative correlation of adhocracy culture on employee conflicts, this culture is based on supportive nature, more idealistic, novel and innovative leading the employees to be more creative, ability to take risks, hence it promotes for individual and personal achievements, which may create an environment leading to destructive employee conflict. Further the study highlighted the importance of clan culture having focus on internal integration, flexibility and organic culture which supports in providing least opportunities for any employee conflicts. The study was limited to only Pakistan and could be expanded to other sectors of work as well across global presence to evaluate the positive or negative influence of these organizational cultures depending on the type of organization. Further Employee Conflict being directly related to employee and job satisfaction, the effect of such factors in combination to employee turnover and organizational effectiveness should also be examined together.

Iqbal, S., Guohao, L., & Akhtar, S. (2017) in their research examined the mediation role of job satisfaction as an important determinant for employee retention based on the impact of independent factors of organization culture, Employee salary and Benefits. The research paper also sheds some interesting facts about Power Distance Index (PDI), Individualism (IDV) versus Collectivism, Long Term Orientation (LTO) versus Short Term Orientation and Masculinity (MAS) versus Femineity. Contribution of 152 received responses from the simple random sample including academic as well as administrative staff from government and private universities and organizations in Pakistan, were analysed for corelation and regression on the independent variables of organizational culture, Benefits and Salary with a mediation of job satisfaction on the dependent variable of employee retention. The results of the research relay's the positive & significant alignment of organizational culture, employee salary, rewards & benefits as against two factor theory and its positive outcome for having increased job satisfaction playing a mediation role resulting in enhanced employee retention for the universities and organizations.The research could have been further elaborated to add other independent variables such as leadership styles of management, and employer-employee relations indicating the power equation between the leader and his team, any other direct or indirect effect of masculine and feminine factors having correlation with the results. Motivational factors of employee benefits could have been further studied into sub categories of tangible and intangible benefits and its impact on job satisfaction leading to employee retention.

Morale

Generally, morale refers to a group's positive feelings towards the organization to which it belongs and the special feelings that each member shares with the other, such as trust, self-worth, purpose,

pride in one's accomplishments, and religious faith in the leadership. An employee's morale is their general level of confidence or optimism, which is especially important if it affects discipline and commitment. There are multiple factors that effect high or low morale of any employee including internal and external environment and how leaders shape the organization culture within. These individual morale leads to development of group morale with relevance to leadership and organization climate.

The research done at the Canadian work place by Psychometrics Canada (2010) concluded the correlation of employee moral with the leadership and showed reduced morale of the employees having poor leaders. The study further analysed the factors like setting up goals, problem solving capabilities, how the leader manages the change, his communication skills which played an important role developing positive employee morale in the organization.

Noted writers like Robbins (2003) have studied the elementary reasons of low employee morale and have linked poor leadership as one of the most important causes for it. Another noted author Stevens (2009) in his book have correlated employee morale and productivity having direct affect of organizational culture.

In addition to absenteeism, low morale results in low employee performance in the form of lower productivity, efficiency, revenue loss for the organization at the same time as low job satisfaction, employees commitment, poor performance results in employee turnover. As a result, any organization will have a high total cost of operations.

Statement of Problem –

Measuring the effectiveness of job satisfaction of academic staff in correlation with organization culture, academic leadershipto have enhanced employee retentionin higher education institutions in Dehradun region.

Research Methodology:

In this study the researcher would be applying **Exploratory factor analysis**, (using SPSS), **Structural Equation Modelling** (SEM) and **confirmatory factor analysis** (Using AMOS), **multiple regression analysis** and **ANNOVA** to satisfy the objectives of the study.

Research Objective -

1. To identify & study the factors affecting job satisfaction.
2. To study the performance of HEI's on factors affecting job satisfaction.
3. To find out the role of job satisfaction on employee retention.
4. To suggest the leadership of HEI's towards the important parameters & factors having positive impact on employee retention of academic staff.

Hypothesis

- *H1o:* There is no significant relationship between leadership styles and job satisfaction of academic staff
- *H2o:* There is no significant relationship between organization culture and job satisfaction of academic staff
- *H3o:* There is no significant relationship between job satisfaction and employee retention of academic staff

Research Gap

Lot of research have been done on the employee retention and factors affecting the employee retention in HEI's but the author could not find enough**studies** which would take into consideration organizational culture, leadershipand their impact on employee retention with a moderation impact of job satisfaction.

In last 4 years India has witnessed an enormous growth of private universities growing as a pace of 47% with an increase in number of private universities from 276 (2015-16) to 407 (2019-20)

In Uttarakhand region there is 1 Central University, 12 State universities, 3 Deemed Universities and 19 private universities other than over 430 plus higher education private institutions. Dehradun being the capital city and an education hub in north India have the majority of these HEI's located in and around of Dehradun. There has been no specific study on these higher education institutions in Dehradun and Uttarakhand region to take into consideration organizational culture, leadership and their impact on employee retention with a moderation impact of job satisfaction in these HEI's.

This study can further be elaborated at the national level to study these impacts.

Hence here is an attempt to find out the combined effect of organizational culture, leadership,on employee retention with mediation impact of job satisfaction

Limitations of Study

Change in no of respondents, other geographies might change the result of study. While the study is to be done in Dehradun region into private higher institutions which has got high number of such institutions located in a small geography, the results of the study may be affected if it is conducted in other areas having low intensity of such institutions.

This study has also not considered any other demographic factors like age, gender marital status etc, which influences the work life balance and conditions of workload and stress, etc. Studying these factors in combination can provide more insight into the study.

Further studies considering these factors in totality can elaborate the research.

Future scope of the study –

This study would help in identifying the employee retention factors and developingHR strategies around them for the organization, the culture prevailing in an organization and the leadership style that is being followed in the similar organization, to elevate the standards of employee's satisfactions and thereby improving the job performance, productivity and retention.

Such focused employee retention orientation would definitely help higher education institutions and other allied organizations to lower down its operating cost, increasing productivity, and achievement of organization goals and objectives.

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